

Security Information

30 July 1953

MEMORANDUM FOR THE RECORD:

SUBJECT: Discussion of Policy with the Bureau of the Budget

1. A meeting was held on Thursday, 30 July at 11:00 a.m. attended by Messrs. Macy, Perry and Hamilton of the Bureau of the Budget and Messrs. White, Saunders and [REDACTED] to discuss various policy problems in connection with the 1954 and 1955 budgets.

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2. The problem of re-programming 1954 operations based upon funds made available under 1954 appropriation acts was discussed. The following was mutually agreed upon:

a. The re-programming of the 1954 operations should be made in light of the recommendation of the Jackson Committee Report.

b. The re-programming should be completed in about 30 days and information concerning the re-programming will then be furnished to the Bureau of the Budget.

c. The request for release of funds from the reserve is to be in terms of the relationship to projects programmed in operating 1954 project proposals as reflected in the one line estimates of 1954 operations included in the office estimates for the fiscal year 1955. It was pointed out that basically we could identify individual projects included in the recommended re-programming of the various Agency components and that the operating budgets would have to be adjusted downward by approximately [REDACTED]

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d. It was pointed out that it was not possible to categorically state that certain operations could be reduced without substantially and adversely affecting program operations. It was further agreed to, however, that full information concerning the situation surrounding any operation would be given if request for release of reserve were made.

e. It was agreed that if a request for a release from the reserve was made that it would be satisfactory with this Agency if approval of the operations was agreed upon with later determination as to whether or not money would be released from the reserve depending upon the level of the operations as a whole. Such determination would be made before the end of the fiscal year.

3. The target figure for the FY 1955 was discussed in which the following points were made:

a. It was pointed out that the DCI believed that the President expects him to continue to expand in certain areas of operations in order

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to carry out the Agency mission. The representatives of the Bureau of the Budget requested information concerning the basis of this belief on the part of the DCI together with details concerning the areas which might be affected by it.

b. The Bureau of the Budget representatives pointed out that they were under direction to balance the budget and that reductions should take place in all areas of operations.

c. It was finally agreed that CIA should continue to carry out the same functions at the same level as for the FY 1954.

d. If the Agency believes that expansion in certain areas is absolutely essential, a supplemental estimate together with specific justification for any such increases might be submitted indicating the type of operations, the need for them and rather specific justifications for any proposals falling in this category. They pointed out, however, that all items included in this category should be of lower priority than items included in the basic Agency budget.

e. Mr. Macy pointed out that this was the first Agency with which he had agreed that a cut brought below the 1954 level would not be required. Since this was at variance with the Budget Bureau policy, it would be necessary for him to obtain clearance from the Director of the Bureau of the Budget before this commitment could be considered final. He stated that he would advise us by telephone on 31 July, if possible, as to the Director's reaction to his recommendation.

4. The problem of personnel ceiling for the FY 1954 was discussed and the following points were made:

a. Col. White outlined the developments of the last few days in connection with the question of personnel ceiling and indicated that Mr. Taber had instructed the DCI to work out an agreement as to personnel requirements during FY 1954 with the Bureau of the Budget.

b. It was proposed that an allowance of [REDACTED] be made to the Agency. 25X9

c. Col. White indicated that it would be the DCI's policy to authorize the minimum number of personnel which he believed was essential for the proper carrying out of the functions of the Agency but that a ceiling of less than [REDACTED] would not permit him the flexibility which he believed essential to meet operating requirements. 25X9

d. Mr. Macy indicated that this matter would be discussed with the Director of the Bureau of the Budget and we would be informed 31 July as to the decision on the matter.

5. The question was raised by the Bureau of the Budget representatives as to whether the Agency would request that our appropriation be considered on a no-year basis in connection with the 1955 budget. Mr. Perry indicated.

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that the discussions heretofore held, lead them to believe that there appeared to be substantial merit in the proposal but that considerable staff work would be required in the Bureau of the Budget before they would be able to give an answer on this question. Col. White stated that before action was started along these lines he believed it essential that policy clearance be obtained from DCI prior to taking action in the Bureau of the Budget.



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